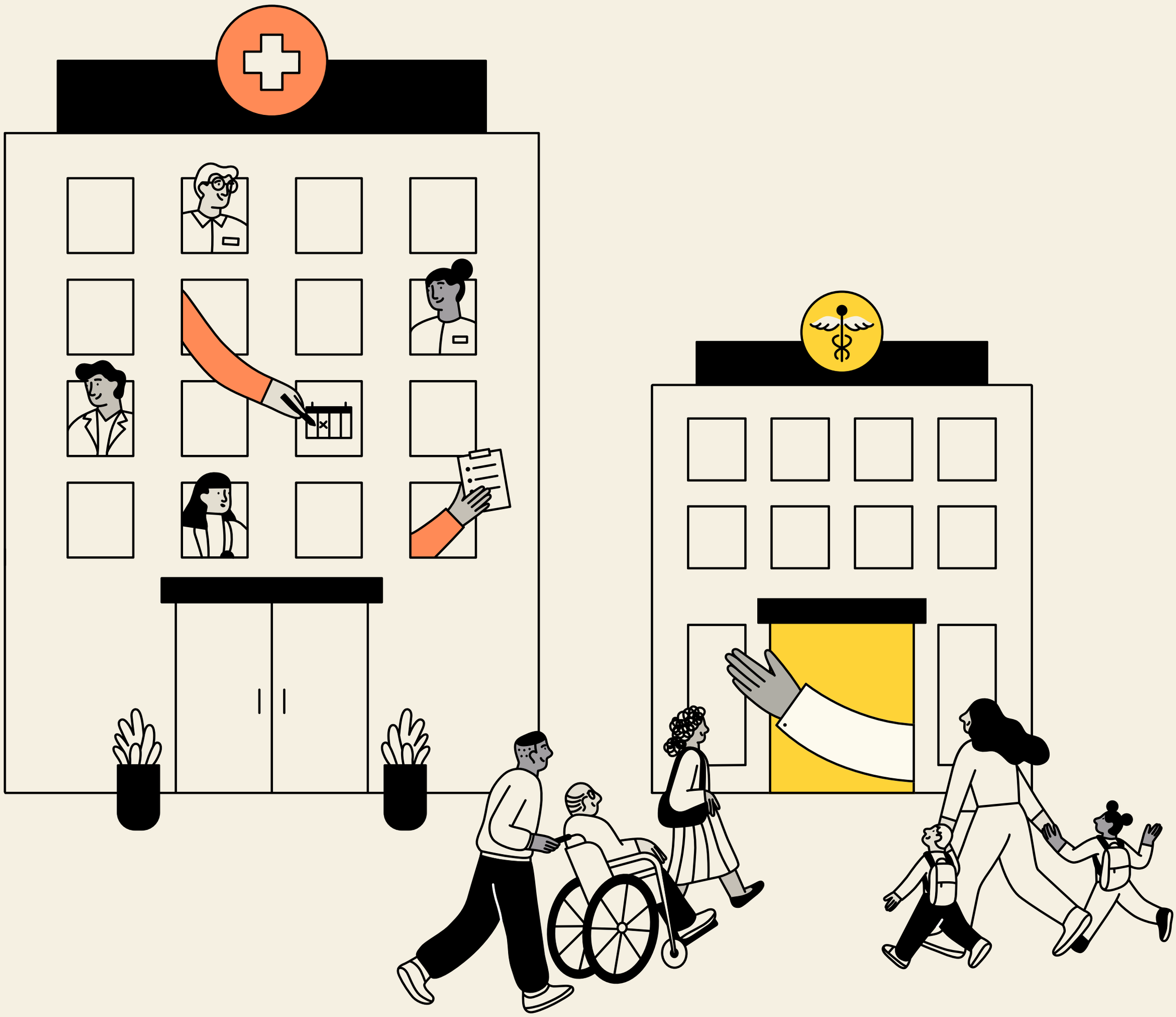
These Provider Organizations Are Getting More Bookings – Here's Why

WHITE PAPER

Zocdoc



Zocdoc

Each month, **millions of patients visit Zocdoc to find and book an appointment** with an in-network provider. That means every day, patients are clearly telling us with their clicks what and who they want. As such, we at Zocdoc have timely and actionable insights into the preferences of this valuable cohort, **3 out of 4 of whom book with commercial insurance.**

More than 80,000 providers across every state and specialty have joined Zocdoc's marketplace. Internally, we divide these providers into three segments:



Small independent practices
Fewer than 14 providers, typically located within one geographic area

Large provider groups (LPGs)
More than 14 providers, often have financial sponsors and multiple geographic locations, typically do not offer inpatient services

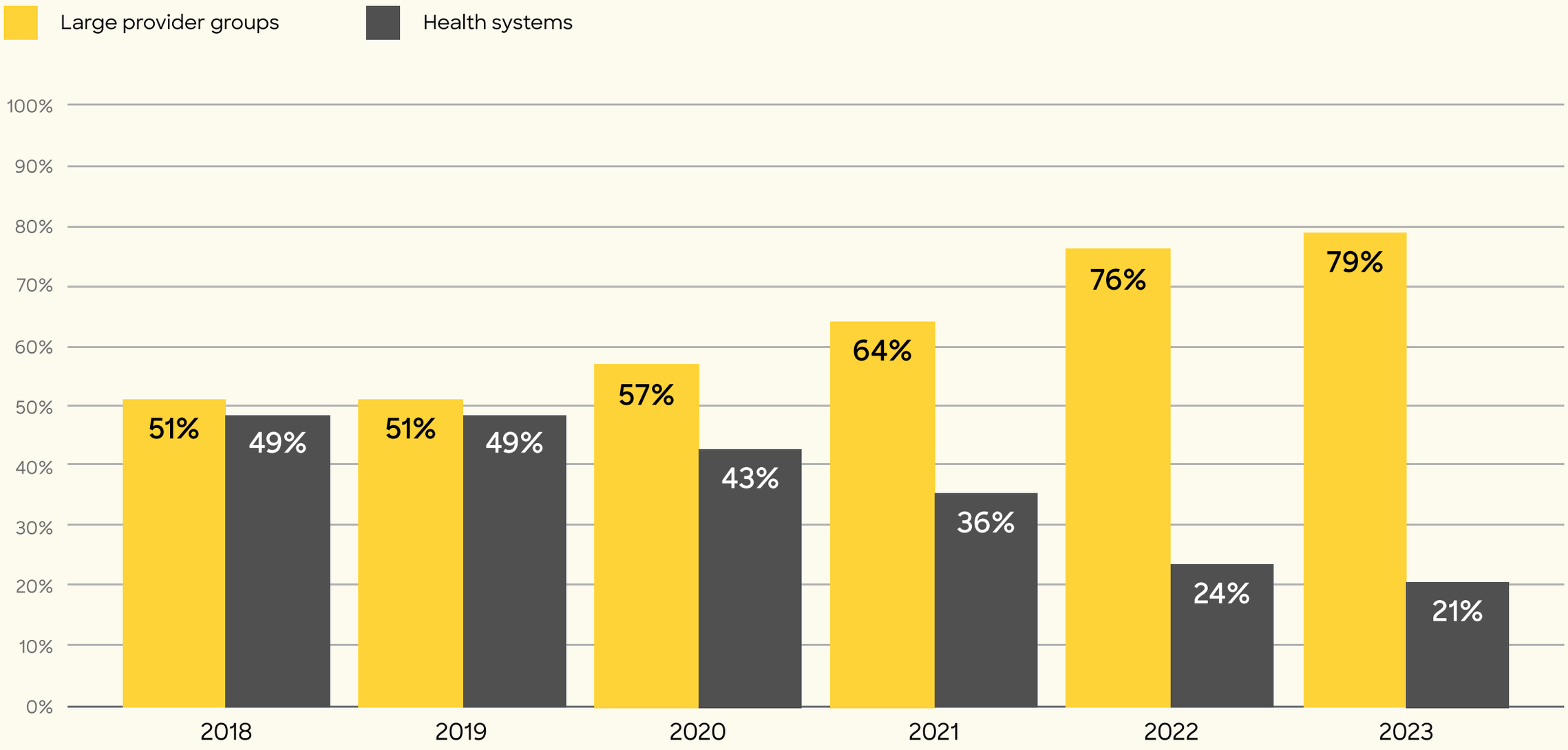
Hospitals & health systems (HS)
A collection of entities, such as hospitals, urgent care and physician groups, which usually offer inpatient services

These classifications are not obvious on Zocdoc and as such would not influence a user's booking decisions. An analogy can be drawn to books listed for sale online without highlighting the publisher or to musicians on a streaming site without promoting the record label.

As of January 2022, nearly three-quarters of US doctors worked for LPG or HS segments, up from 69 percent a year prior. This makes recent trends in the distribution of bookings across provider segments all the more notable, as **we have noticed a major rebalancing in the share of bookings between large provider groups and health systems.**

In 2018, Zocdoc users booked appointments along even lines, split about 50-50 between these two segments. However, in 2023, we've seen that booking mix dramatically shift – to approximately **20 percent health systems and 80 percent large provider groups.**

Share of Zocdoc bookings



This raises the question:

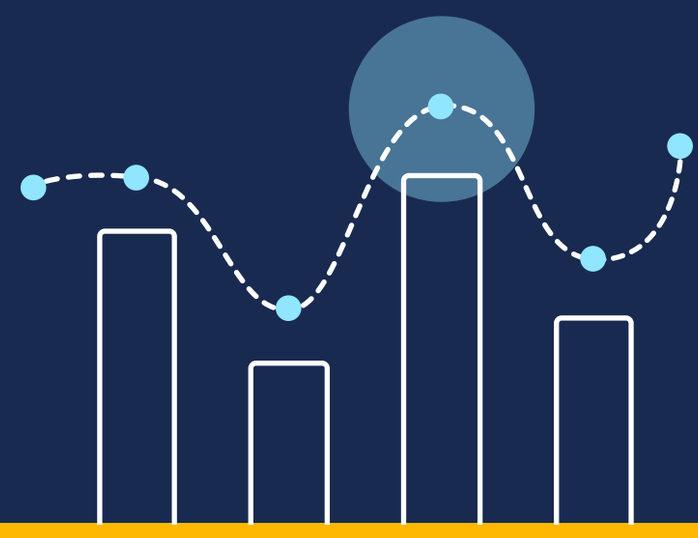
What makes large provider groups so appealing to patients? What is driving this rapid shift, and how can other segments stay competitive in today's market?

What can other segments learn?

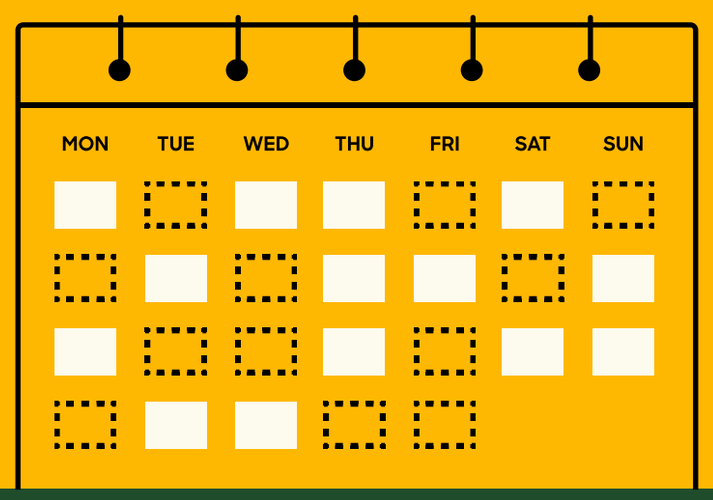
Each segment has a critical role to play within America's healthcare system. We should all be rooting for private practices and health systems to thrive. Still, this dramatic shift in bookings toward large provider groups signals the need for other segments to swiftly adapt if they want to remain competitive in new patient acquisition. They must acknowledge where their valuable bookings are going and act quickly to regain market share.

After taking a deep dive into Zocdoc's top-performing large provider groups, we've identified three lessons from their success that any provider organization can adopt.

Lesson #1
Focus on the right numbers.



Lesson #2
Always be available.

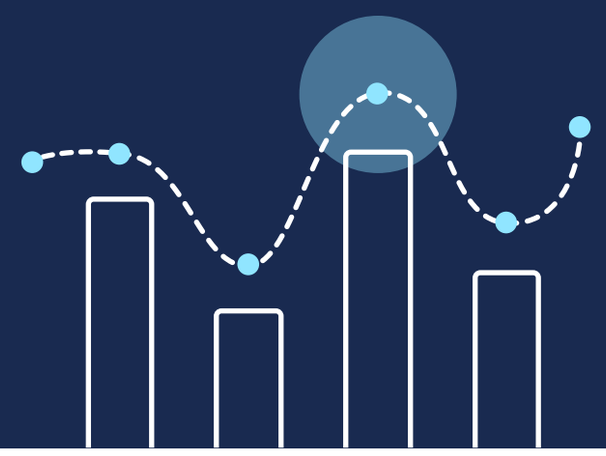


Lesson #3
Time is money.



LESSON #1

Focus on the right numbers.



Large provider groups think of themselves as businesses first and foremost. They accept that healthcare organizations operate with costs and revenue, and they reject the notion that profits conflict with mission orientation or professional responsibilities.

When our team visited the corporate headquarters of one large provider group, we saw a whiteboard of monthly new patient acquisition targets, prominently displayed in the middle of the office. It's not only possible but beneficial to think about how much each new patient contributes to a provider organization's bottom line.

Understand LTV and CAC

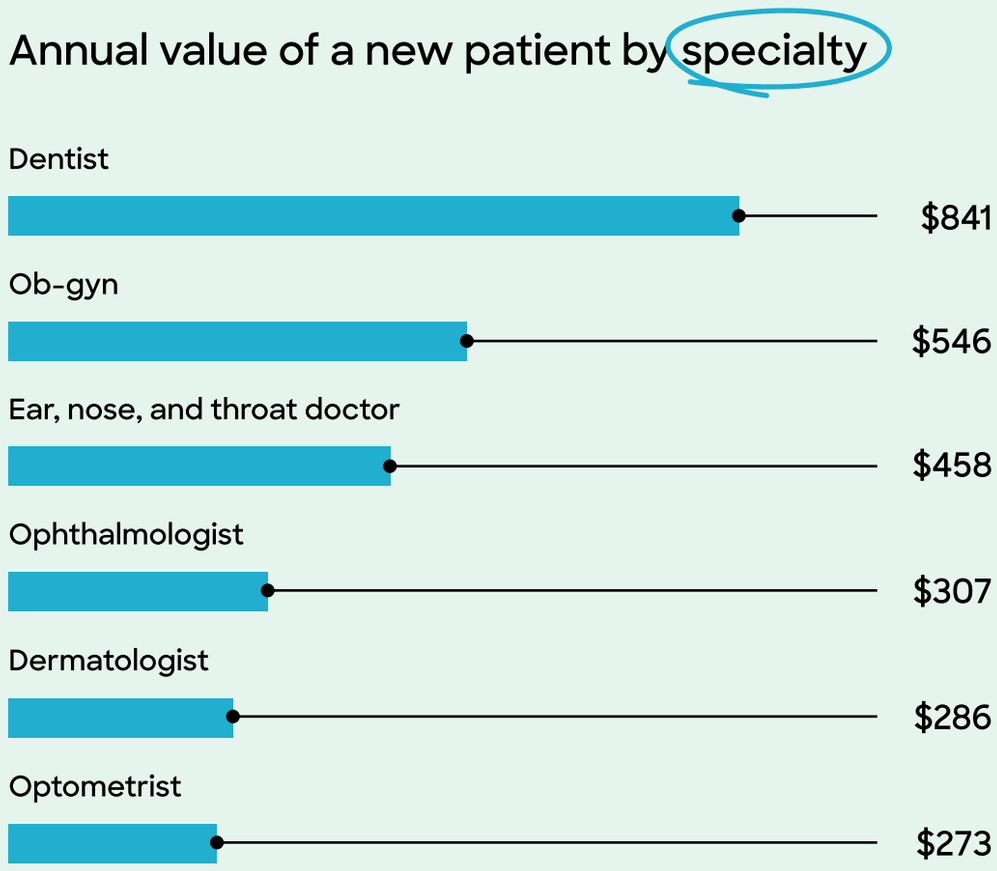
Large provider groups are fluent in the metrics that matter to their margins, such as LTV (lifetime value) and CAC (customer acquisition cost). Understanding the value of patients to a provider organization and the costs it takes to acquire them is fundamental to the success of any practice.

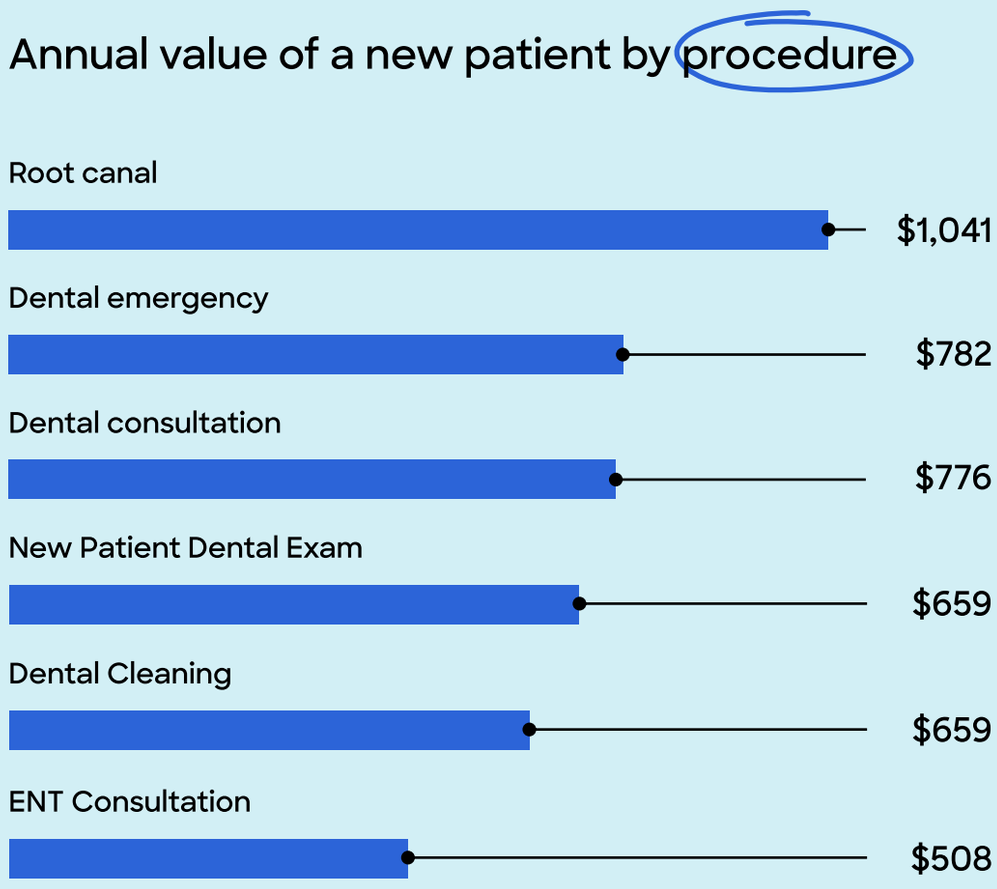
Zocdoc recently laid out some clarifying industry benchmarks of average patient value across segments, specialties and procedures. These can be helpful as provider organizations establish their own acquisition targets and baselines, based on local and regional markets.

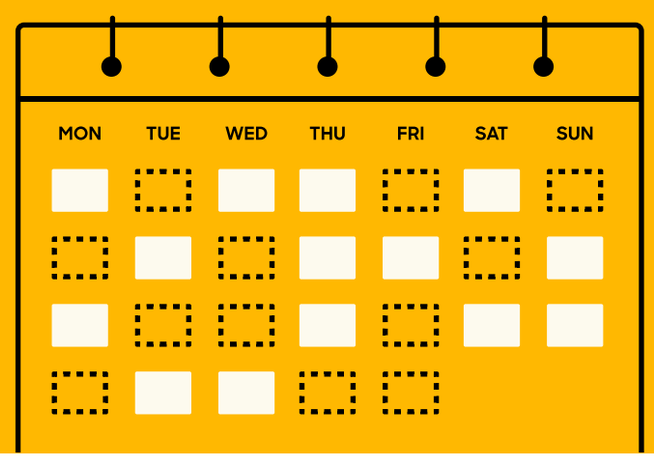
Using LTV or annual value as a foundational number, large practice groups rely on CAC as a key metric to more effectively set acquisition and marketing budgets.

It's a straightforward process: Determine the CAC per marketing lever, set this against LTV (or another patient value measurement) and optimize accordingly. A practice that overlooks these metrics might pour money into top-of-funnel tactics like billboards without understanding how to evaluate the return.

Large provider groups use these and other metrics to frame every decision. When provider organizations focus on these data points, they more expertly allocate their marketing budget, understand ROI and drive their businesses forward.







LESSON #2

Always be available.

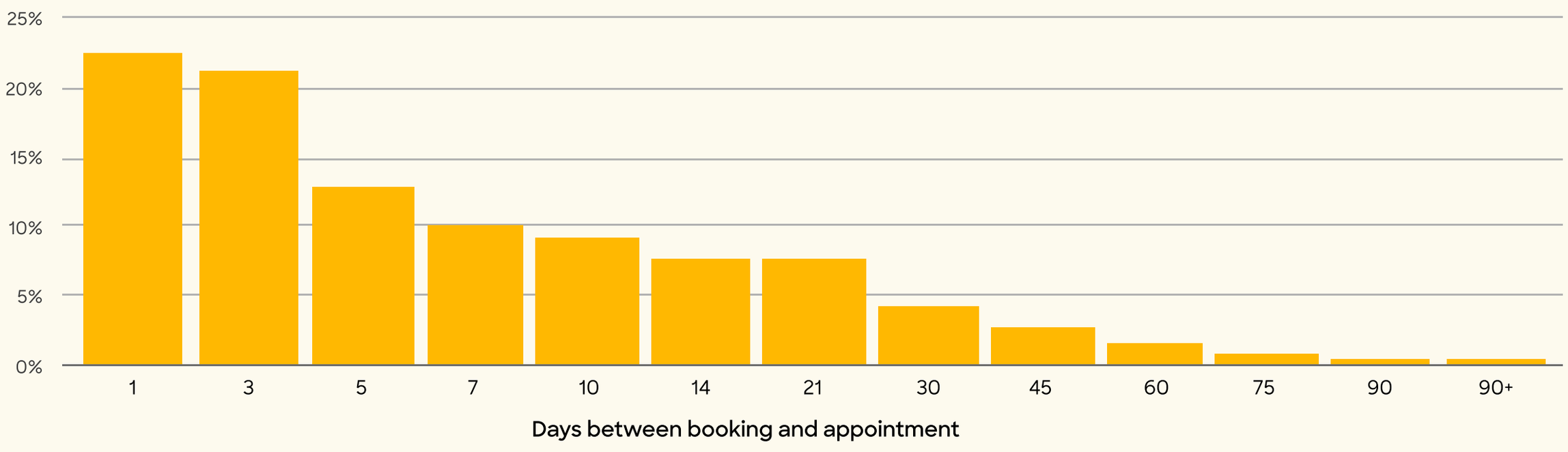
For any high fixed-cost business, the main way to grow margins is by increasing volume. Too often, provider organizations attempt to grow margins through incremental projects, such as contract negotiations and billing automation. These are important features for a practice; however, they can be cumbersome and have a diminished impact if a practice has gaping holes in its schedules.

Large provider groups prioritize patient acquisition tactics and treat other projects as ancillary. They know that the way to grow their margins and thrive is by focusing on volume: getting more new patients in the door. One main way they do this is by standing out to patients through providing ample availability. They deploy a range of tactics to achieve this goal.

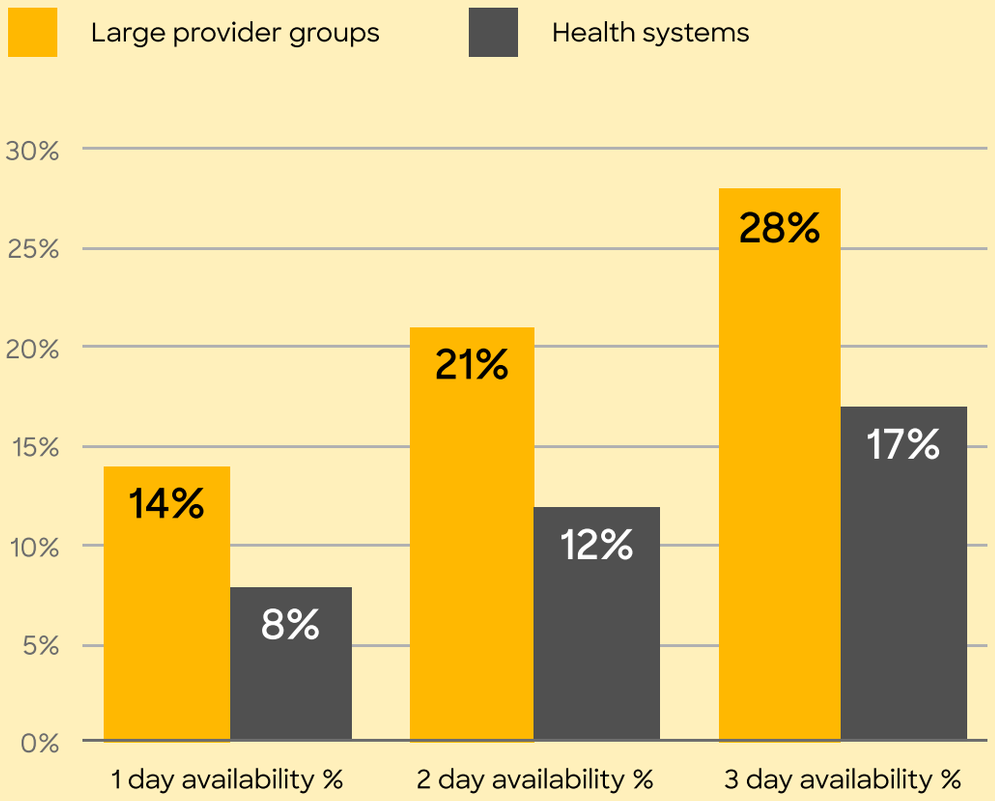
Fast Access

Near-term availability is a crucial component to serving patient needs and building trust. This approach responds to observed patient behavior, where preferences for fast bookings overwhelmingly win out. The typical Zocdoc booking is for an appointment that takes place within 24 to 72 hours.

Most typical bookings are made for appointments that take place within 24-72 hours, underscoring desire for fast access



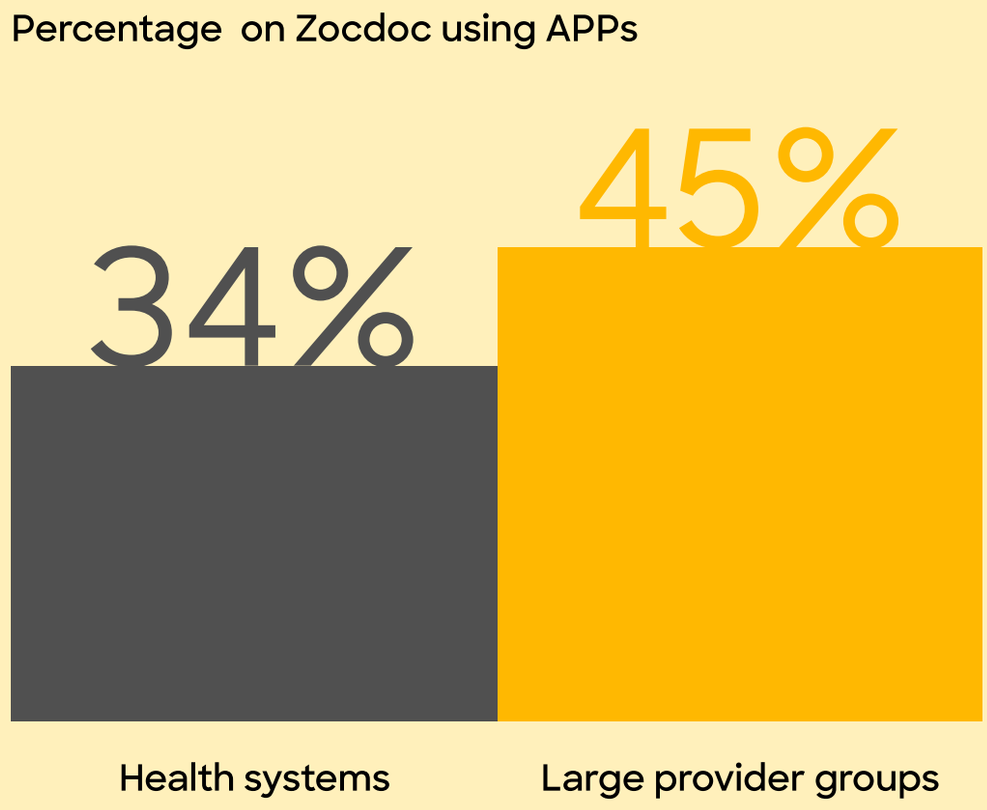
That's a tight window for a practice to acquire a patient, but it's one in which large provider groups are giving themselves more opportunities than health systems. Our data shows that large provider groups offer more same-day, next-day and three-day appointments than health systems. This approach responds to patient demand, where preferences for fast bookings prevail.



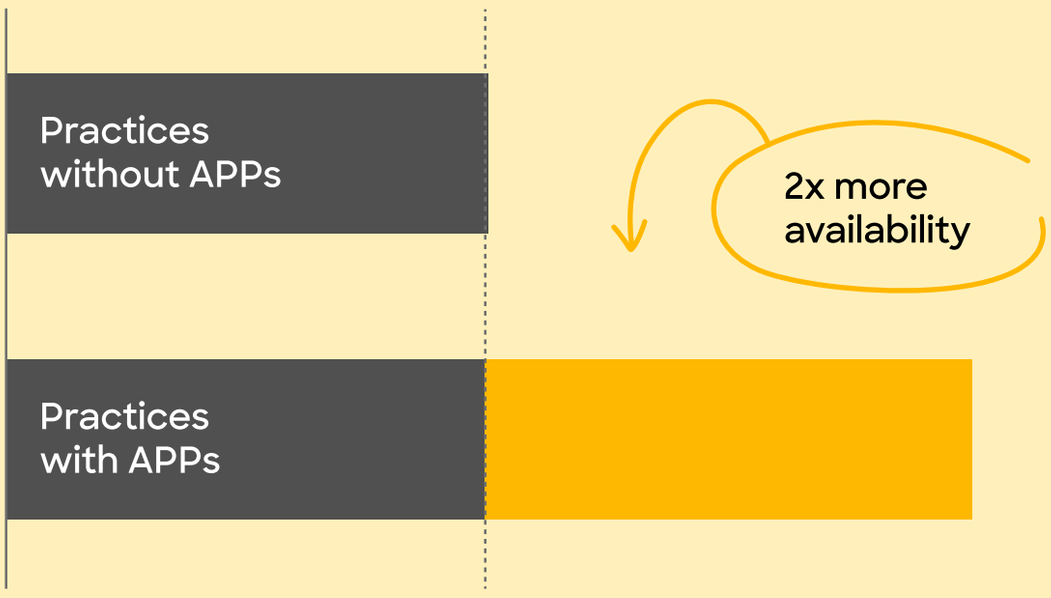
More Availability, More Bookings

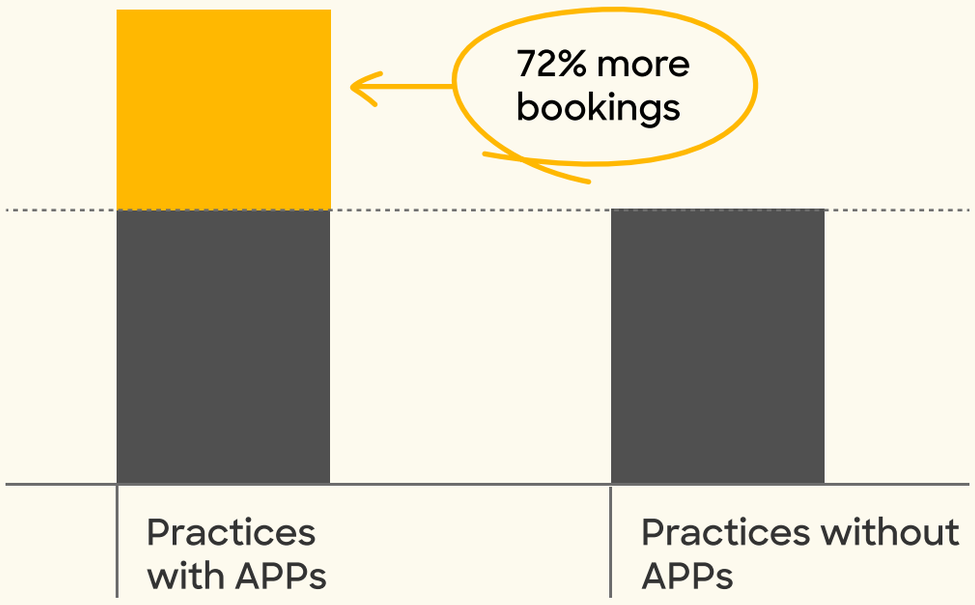
Increasing near-term availability is a huge boost for any practice, but to many, staffing and resource limitations may seem insurmountable.

Large provider groups deploy a job-creating and cost-effective solution: Nearly half staff with **advanced practice providers (APPs)** – nurse practitioners and physician assistants, "as well as other licensed non-physician providers, including certified nurse midwives, clinical nurse specialists and certified registered nurse anesthetists," per the American Journal of Managed Care – compared to just 1 in 3 health systems.



Offering care through APPs increases overall provider availability, and large provider groups know that APPs allow more patients to receive treatment without compromising quality of service. Over a 90-day period, our data showed that practices with APPs had more than double the provider availability of their counterparts. Not surprisingly, practices with APPs secured 72 percent more bookings during those three months than their counterparts.





New patient inflow is critical for any provider organization to grow and thrive, and this can be maximized by responding to patient preferences and behaviors. Large provider groups have prioritized the patient preference of availability, and seen their profitability grow leaps and bounds.

LESSON #3

Time is money.



For mix shifts at this velocity, every day is another missed booking and another percentage of provider market share lost. This time-cost principle motivates large provider groups to act with urgency in all decisions, especially those that affect patient acquisition.

Zocdoc is an unmatched channel for provider organizations' patient acquisition playbooks. To that end, our data shows that large provider groups make the decision to join Zocdoc in one-sixth the time a hospital or health system does. Large provider groups take a matter of weeks, rather than months, to confirm next steps. More time deliberating means more loss of market share.

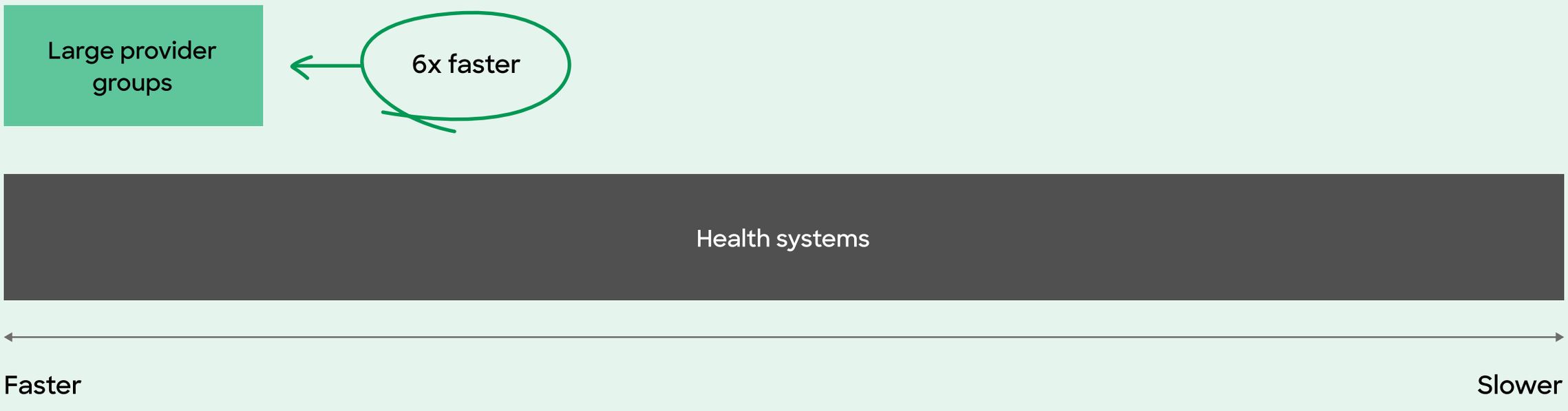
Organizational Structure

Speed is a product of organizational structures. In countless discussions with large provider groups, we tracked a common theme: The decision-maker is the person who owns patient acquisition. They oversee both the strategy and the budget, and they have the autonomy to make crucial decisions.

Among other segments, we noticed that staffers responsible for practice strategy development often don't own budget and execution. More specifically, stakeholders from marketing, digital, finance, operations and strategy all might own pieces of the process. In larger and more bureaucratic entities, such as health systems, involving too many stakeholders can complicate setting priorities. When more friction enters a decision funnel, someone is more likely to find reasons to say no or to simply take too long to say yes.

Once the strategy is set, practices that are able to act decisively have the advantage. In order to do this, they clearly set priorities, assign owners and hold them accountable to hitting new patient acquisition metrics.

Speed to decision



What happens now?

Large provider groups have increased their market share by 30 percentage points in just four years, a trend which shows no signs of slowing.
Now is the time for all segments to adopt these practices and stand out to patients who are seeking care.

Because 3 out of 4 Zocdoc appointments are for new provider relationships, made by patients who want fast access to care, changes in new patient booking volumes could become visible in as little as a week.

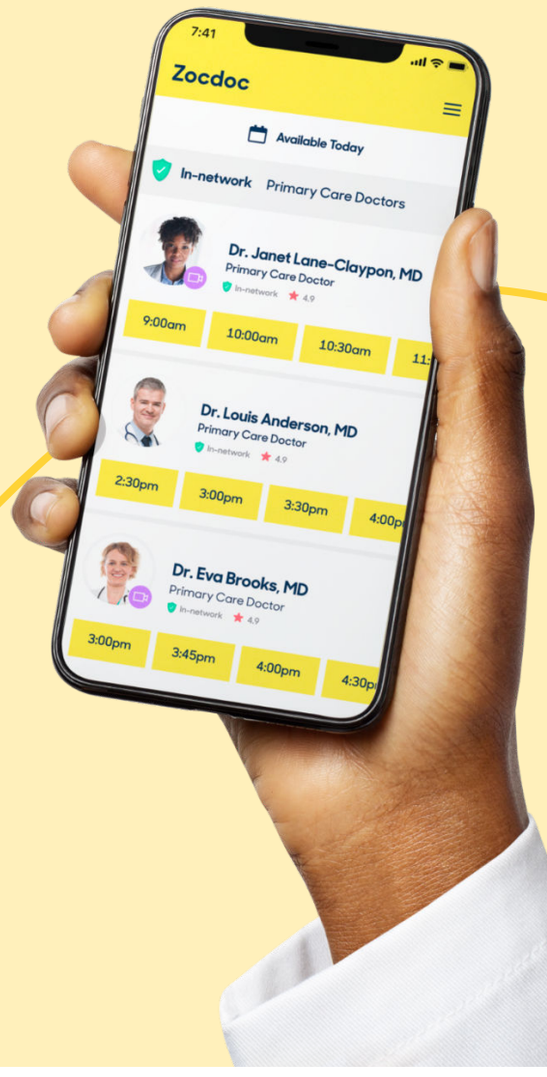
A successful strategy can rely on simple tactics:

- ✓ Focus on patient value and patient acquisition metrics.
- ✓ Increase patient volume, by offering what patients want (near-term availability) and employing tactics to achieve this (APPs).
- ✓ Streamline the decision-making process to accelerate execution.

By understanding patient preferences and how to act on that knowledge, your practice can acquire new patients quickly, helping it achieve growth that's both sustainable and profitable.

About Zocdoc

Zocdoc is the largest marketplace for booking healthcare. Today, millions of patients per month use the Zocdoc app and website to independently discover and instantly book in-person and video visit appointments online. More than 80,000 providers across the United States use Zocdoc as a digital marketing channel to reach new patients, fill last-minute openings, and deliver a better healthcare experience to patients.



Why providers love Zocdoc

Reach new patients

Millions of patients visit our website and app every month to search for a local provider.

Fill last-minute openings

Almost half of Zocdoc appointments occur within 72 hours of booking.

Pay for bookings, not clicks

Lower risk than when you are paying for clicks, impressions or re-acquiring existing patients.

Capture bookings from your website

Use Zocdoc's technology with your branding to convert your website traffic to bookings.

No signup or setup fees

There are no upfront or setup costs, just a one-time fee for each new patient booking.

Request a demo at
zocdoc.com/about/enterprise